

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Case No. 13-10419 (SHL)
	:	
CHINA NATURAL GAS, INC.,	:	(Chapter 11)
	:	
Debtor.	:	
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**ORDER CONVERTING CHAPTER 11 CASE
TO A CASE UNDER CHAPTER 7**

Based upon the hearing held before this Court, the motion of the United States Trustee (ECF No. 140) (the “*Motion*”), and the statement filed by Abax Lotus Ltd. and Abax Nai Xin A Ltd. (collectively, the “*Abax Petitioners*”) in support of the Motion, and it appearing that appropriate notice of the Motion has been given and cause existing for the relief requested, it is hereby:

ORDERED, that this case commenced under Chapter 11 of the Bankruptcy Code be and hereby is converted to a case under Chapter 7 pursuant to 11 U.S.C. § 1112(b); and it is further

ORDERED, that the Debtor shall file (i) a schedule of unpaid debts incurred after the commencement of the Chapter 11 case within 15 days of the date of this order, and (ii) a final report within 30 days of the date of this order, pursuant to Fed. R. Bankr. P. 1019(5); and it is further

ORDERED, that the Debtor, the Debtor’s Court-appointed chief restructuring officer, and each of the Debtor’s professionals shall immediately turn over to the Chapter 7 trustee, all records and property of the estate in their custody or control; and it is further

ORDERED, that upon the appointment by the United States Trustee of an interim Chapter 7 trustee for the Debtor, such interim Chapter 7 trustee shall promptly engage in discussions with the Abax Petitioners on the topics necessary and relevant to the continued administration of the case, including without limitation, the status of the case, go-forward strategies, and available resources.

Dated: July 2, 2014
New York, New York

/s/ *Sean H. Lane*
HONORABLE SEAN H. LANE
BANKRUPTCY JUDGE